

United States Environmental Protection Agency, Region 10
Park Place Building, 12th Floor
1200 Sixth Avenue
Seattle, Washington 98101

Underground Injection Control (UIC) Program
Ground Water Protection Unit, OCE-127

NOTICE OF PROPOSED ISSUANCE OF A CLASS I UIC PERMIT FOR THE DISPOSAL OF
OIL-FIELD PRODUCED WATER AND NON-HAZARDOUS INDUSTRIAL WASTE FLUID
AT THE REDOUBT UNIT (RU) AND WEST McARTHUR RIVER UNIT (WMRU),
COOK INLET, ALASKA

Public Notice Issuance Date: September 7, 2006
Closure Date: October 10, 2006

1. Applicant

Forest Oil Corporation (FOREST)
310 K Street, Suite 700
Anchorage, Alaska 99501

EPA Permit Number: AK-1I007-A

The U.S. Environmental Protection Agency (EPA) has direct implementation responsibility in Alaska for the regulation of Class I injection wells through the UIC program, which is authorized by Part C of the Safe Drinking Water Act. Class I injection wells are used for the deep disposal of industrial waste into naturally saline ground water, beneath any aquifers which could serve as current or future underground sources of drinking water (USDWs).

EPA is proposing to grant a Class I UIC permit under title 40 CFR 144.33 to FOREST to convert up to two (2) Class II disposal wells to Class I non-hazardous waste injection wells and operate the wells for disposal of Class I non-hazardous fluids. The bottom hole locations of the wells are offshore. One well is located on the offshore Osprey production platform and one well extends offshore from the onshore WMRU facility in the Cook Inlet area, Alaska. FOREST has requested that two existing Class II disposal wells be reclassified to allow for disposal of produced water, well treatment and work over fluids, drill cuttings, muds, exempt and non-exempt non-hazardous fluids. FOREST is authorized to substitute alternate candidate wells in the event any of the above two candidate Class I well(s) fail to demonstrate mechanical integrity. However, FOREST shall identify the substitute candidate Class I well(s) and give a 30-day written notice with well data to EPA prior to conducting the mechanical integrity test (MIT) on the substitute candidate Class I well(s). Again, no Class I well shall be placed on injection prior to successfully demonstrating its mechanical integrity and approval from EPA.

EPA has considered available waste disposal options and determined that underground injection is the most appropriate disposal method for the non-hazardous waste fluids and the produced water generated at the RU and WMRU facilities. The Class I injection well is the most

environmentally sound method for disposal of the excess produced water that will no longer be used for enhanced oil recovery (EOR) and will also meet the objective of minimum storage and zero discharge of production and domestic wastes to the surface waters of the Cook Inlet. The Class I wells will increase safety and reduce environmental risks by reducing handling and transportation activities and will provide safe subsurface disposal in a controlled manner. The Class I reclassification will increase EPA oversight and inspections of the wells.

The geologic setting at the RU and WMRU is very compatible for waste disposal where over the life of the field 8.27 million barrels of fluids have been injected without leakage above the confining zone. The disposal option would add 297,000 barrels of Class I fluids to the Tyonek formation. EPA has determined that the proposed injection intervals which lie deeper than 4800 feet below sea are not an underground source of drinking water. The disposal wells also have Class II aquifer exemptions approved by the Alaska Oil and Gas Conservation Commission for the aquifers in the injection intervals. The proposed EPA Class I permit limits injection to the existing and naturally saline injection intervals in the Tyonek formation sands.

2. Tentative Determination

EPA has tentatively determined to issue a ten (10) year UIC permit to the above listed applicant.

3. Public Comments

Persons wishing to comment must do so in writing by the close of the Public Comment period, October 10, 2006 at 5 pm Pacific Daylight Time (PDT). All comments should include the name, address, and telephone number of the person commenting, a concise statement of the exact basis of any comment, and the relevant facts upon which it is based. All written comments and requests should be submitted to Thor Cutler of the UIC program at the above address or via E-mail to cutler.thor@epa.gov.

4. Public Hearings

The Environmental Protection Agency has tentatively scheduled a public hearing to be held on Tuesday, September 12, 2006 at 7 p.m. in the Meeting Room of the Hampton Inn, located at 4301 Credit Union Drive (at C Street and Tudor Street) in Anchorage, Alaska. However, this hearing may be canceled in the absence of any specific written requests for such a hearing. Written requests for a hearing on the proposed permit must be received by Thor Cutler at the above street address or via E-mail at cutler.thor@epa.gov not later than September 11, 2006 at 4 p.m. PDT.

5. Administrative Record

Copies of the proposed UIC permit, fact sheet, and permit application are on file and may be viewed at EPA's Regional Office Library between 8:30 a.m. and 4:00 p.m. PDT, Monday through Friday. Copies of the proposed permit and fact sheet may be requested from Thor Cutler at (206) 553-1673 or via e-mail: cutler.thor@epa.gov. Copies may also be obtained from the EPA Alaska Operations Office, Room 537, Federal Building, 222 West 7th Avenue, #19, Anchorage, Alaska (907) 271-5083 or through the Internet at www.epa.gov/r10earth/uic.htm.